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Producers 88 (4-89) — Paid Up With 640 Acres Pooling Provision STANDARD LEASE v.6

PAID UP OIL AND GAS LEASE

(No Surface Use)

THIS LEASE AGREEMENT is made this day of	August	2008, by and between
Massie & Wilson a Single	person	
whose addresss is 231 6 Street, San Antonia and DALE PROPERTY SERVICES, L.L.C., 2100 Ross Avenue, Suite 1870 D hereinabove named as Lessee, but all other provisions (including the completion 1. In consideration of a cash bonus in hand paid and the covenants had described land, hereinafter called leased premises:	<u>allas Texas 76201, äs Lessce. All printed porti</u> of blank spaces) were prepared jointly by Lesson	and Lessee.
ACRES OF LAND, MORE OR LESS, BEING LOT(s)	, BLOCK <u>4/</u>
OUT OF THE South land Fort Worth , TARRANT CO IN VOLUME 63 , PAGE 40	ADDITION DUNTY, TEXAS, ACCORDING TO TA OF THE PLAT RECORDS OF TA	I, AN ADDITION TO THE CITY OF HAT CERTAIN PLAT RECORDED RRANT COUNTY, TEXAS.
in the County of Tarrant, State of TEXAS, containing gross reversion, prescription or otherwise), for the purpose of exploring for, developing substances produced in association therewith (including geophysical/seismic commercial gases, as well as hydrocarbon gases. In addition to the above-desiland now or hereafter owned by Lessor which are contiguous or adjacent to the Lessor agrees to execute at Lessee's request any additional or supplemental inst of determining the amount of any shut-in royalties hereunder, the number of gross	operations). The term "gas" as used herein cribed leased premises, this lease also covers a above-described leased premises, and, in consi ruments for a more complete or accurate describ	with all hydrocarbon and non hydrocarbon includes helium, carbon dioxide and other accretions and any small strips or parcels of ideration of the aforementioned cash bonus, allon of the land so covered. For the purpose whether actually more or less.
This lease, which is a "paid-up" lease requiring no rentals, shall be in for as long thereafter as oil or gas or other substances covered hereby are produced otherwise maintained in effect pursuant to the provisions hereof.	ce for a primary term of(years from the date hereof, and for ir from lands pooled therewith or this lease is
3. Royalties on oil, gas and other substances produced and saved hereur separated at Lessee's separator facilities, the royalty shall be Twenty Lessor at the weilhead or to Lessor's credit at the oil purchaser's transportation of the weilhead market price then provailing in the same field (or if there is no such prevailing price) for production of similar grade and gravity. (b) for gas (inc. Twenty) for production of similar grade and gravity. (b) for gas (inc. Twenty) for production of similar grade and gravity. (b) for gas (inc. Twenty) for production, severance, or other excise taxes and the costs incurred by Lessee is Lessee shall have the continuing right to purchase such production at the prevail no such price then prevailing in the same field, then in the nearest field in which the same or nearest preceding date as the date on which Lessee commences its more wells on the leased premises or lands pooled therewith are capable of either are walting on hydraulic fracture stimulation, but such well or wells are either shut be deemed to be producing in paying quantities for the purpose of maintaining there from is not being sold by Lessor's credit in the depository designated below, on or before the end of said while the well or wells are shut-in or production there from is not being sold by Lessee from another well or wells on the leased premises or lar following cessation of such operations or production. Lessee's failure to proper terminate this lease.	acilities, provided that Lessee shall have the corch price then prevailing in the same field, then buding casing head gas) and all other substated by Lessee from the sate thereof, less a problem of the processing or otherwise marketing in delivering, processing or otherwise marketing in the results of the production of there is such a prevailing price) pursuant to consume the production of the production there from is not being sold by this lease. If for a period of 90 consecutive days from other period and thereafter on or before each tessee; provided that if this lease is otherwise being pooled therewith, no shut-in royalty shall be ypay shut-in royalty shall render Lessee liable.	uction, to be delivered at Lessee's option to nitroling right to purchase such production at in the nearest field in which there is such a ness covered hereby, the royalty shall be reportionate part of ad valorem taxes and such gas or other substances, provided that similar quality in the same field (or if there is nearable purchase contracts entered into on the primary term or any time thereafter one or red hereby in paying quantities or such wells Lessee, such well or wells shall nevertheless such well or wells are shut-in or production a, such payment to be made to Lessor or to anniversary of the end of said 90-day period and maintained by operations, or if production due until the end of the 90-day period next for the amount due, but shall not operate to
4. All shut-in royally payments under this lease shall be paid or tendered to be Lessor's depository agent for receiving payments regardless of changes in the draft and such payments or tenders to Lessor or to the depository by deposition; address known to Lessee shall constitute proper payment. If the depository shot payment hereunder, Lessor shall, at Lessee's request, deliver to Lessee a proper 5. Except as provided for in Paragraph 3, above, if Lessee drills a well whi premises or lands pooled therewith, or if all production (whether or not in paying pursuant to the provisions of Paragraph 6 or the action of any governmental nevertheless remain in force if Lessee commences operations for reworking an e on the leased premises or lands pooled therewith within 90 days after completion the end of the primary term, or at any time thereafter, this lease is not otherwis operations reasonably calculated to obtain or restore production therefrom, this lease conceptation of more than 90 consecutive days, and if any such operations resulters is production in paying quantities from the leased premises or lands pooled the lessee shall drill such additional wells on the leased premises or lands pooled the lo (a) develop the leased premises as to formations then capable of producing leased premises from uncompensated drainage by any well or wells located on additional wells except as expressly provided herein.	ownership of said land. All payments or lenders the US Mails in a stamped envelope addressed aid liquidate or be succeeded by another institution recordable instrument naming another institution is incapable of producing in paying quantities and quantities) permanently ceases from any calculationary, then in the event this lease is not constitution well or for drilling an additional well or for operations on such dry hole or within 90 day the being maintained in force but Lessee is then take shall remain in force so long as any one or lift in the production of oil or gas or other substated therewith. After completion of a well capable prowith as a reasonably prudent operator would in paying quantities on the leased premises or the substated in paying quantities on the leased premises or the substated in paying quantities on the leased premises or the substated in paying quantities on the leased premises or the substated in paying quantities on the leased premises or the substated in paying quantities on the leased premises or the substated in paying quantities on the leased premises or the substated in paying quantities on the leased premises or the substated in paying quantities on the leased premises or the substated in paying quantities on the leased premises or the substated in paying quantities on the substated in paying quantities on the substated in paying the substate	may be made in currency, or by check or by to the depository or to the Lessor at the last on, or for any reason fail or refuse to accept to as depository agent to receive payments. If thereinafter called "dry hole" on the leased use, including a revision of unit boundaries of the being maintained in force it shall be roughly or the respective obtaining or restoring production is after such cessation of all production. If at engaged in drilling, reworking or any other more of such operations are prosecuted with ances covered hereby, as long thereafter as of producing in paying quantities hereunder, drill under the same or similar circumstances lands pooled therewith, or (b) to protect the
6. Lessee shall have the right but not the obligation to pool all or any part depths or zones, and as to any or all substances covered by this lease, either proper to do so in order to prudently develop or operate the leased premises, who unit formed by such pooling for an oil well which is not a horizontal completion shall not exceed 640 acres plus a maximum acreage totera completion to conform to any well spacing or density pattern that may be prescrit of the foregoing, the terms "off welf" and "gas well" shall have the meanings prescribed, "oil welf" means a well with an initial gas-oil ratio of less than 100,000 feet or more per barrel, based on 24-hour production test conducted under nequipment; and the term "horizontal completion" means an oil well in which the component thereof. In exercising its pooling rights hereunder, Lessee shall file Production, drilling or reworking operations anywhere on a unit which includes reworking operations on the leased premises, except that the production on which net acreage covered by this lease and included in the unit bears to the total grunt formed hereunder by expansion or contraction or both, either before or after proscribed or permitted by the governmental authority having jurisdiction, or to compating such a revision. Lessee shall file of record a written declaration describing leased premises is included in or excluded from the unit by virtue of such revision be adjusted accordingly. In the absence of production in paying quantities from a a written declaration describing the unit and staling the date of termination. Pooling	before or after the commencement of production of the or not similar pooling authority exists with reall not exceed 80 acres plus a maximum acreal noce of 10%; provided that a larger unit may be for a permitted by any governmental authority is scribed by applicable law or the appropriate governmental producing conditions using standard lease for the prosecond component of the gross completion of record a written declaration describing the unall or any part of the leased premises shall be the Lessor's royally is calculated shall be that process acreage in the unit, but only to the extent shifts hereunder, and Lessee shall have the recurrencement of production, in order to conform to any productive acreage determination of the revised unit and stating the effective date in, the proportion of unit production on which roy a unit, or upon permanent essation thereof, Less	on, whenever Lessee deems it necessary or respect to such other lands or interests. The ge tolerance of 10%, and for a gas well or a parmed for an oil well or gas well or horizontal naving jurisdiction to do so. For the purpose varnmental authority, or, if no definition is so it with an initial gas-oil ratio of 100,000 cubic ise separator facilities or equivalent testing on interval in facilities or equivalent testing interval in the reservoir exceeds the vertical nit and stating the effective date of pooling, a treated as it it were production, drilling or portion of the total unit production which the such proportion of unit production is sold by ding right but not the obligation to revise any inform to the well spacing or density pattern in made by such governmental authority. In of revision. To the extent any portion of the attes are payable hereunder shall thereafter see may terminate the unit by filing of record

7. If Lessor owns less than the full mineral estate in all or any part of the leased premises, the royalties and shut-in royalties payable hereunder for any well on any part of the leased premises or lands pooled therewith shall be reduced to the proportion that Lessor's interest in such part of the leased premises bears to the full mineral estate in such part of the leased premises

8. The interest of either Lessor or Lessee hereunder may be assigned, devised or otherwise transferred in whole or in part, by area and/or by depth or zone, and the rights and obligations of the parties hereunder shall extend to their respective heirs, devisees, executors, administrators, successors and assigns. No change in Lessor's ownership shall have the effect of reducing the rights or entarging the obligations of Lessee hereunder, and no change in ownership shall be binding on Lessee until 60 days after Lessee has been furnished the original or certified or duly authenticated copies of the documents establishing such change of ownership to the satisfaction of Lessee until 10 to the companies of the documents establishing such change of ownership to the satisfaction of Lessee until 11 to the companies of the documents establishing such change of ownership to the satisfaction of Lessee until 12 to the companies of the department of the death of any person entitled to shut-in regulations and the department of the death of the department until Lessor has satisfied the notification requirements contained in Lessee's usual form of division order. In the event of the death of any person entitled to shut-in royalties hereunder, Lessee may pay or tender such shut-in royalties to the credit of decedent or decedent's estate in the depository designated above. If at any time two or more persons are entitled to shut-in royalties hereunder, Lessee may pay or tender such shut-in royalties to such persons or to their credit in the depository, either jointly or separately in proportion to the interest which each owns. If Lessee transfers its interest hereunder in whole or in part Lessee shall be relieved of all obligations thereafter arising with respect to the transferred interest, and failure of the transferree to satisfy such obligations with respect to the transferred interest shall not affect the rights of Lessee with respect to any interest not so transferred. If Lessee transfers a full or undivided interest in all or any portion of the area covered by this lease, the obligation to pay or tender shut-in royalties hereunder shall be divided between Lessee and the transferee in proportion to the net acreage interest in this lease then held by each.

9. Lessee may, at any time and from time to time, deliver to Lessor or file of record a written release of this lease as to a full or undivided interest in all or any portion of the area covered by this lease or any depths or zones there under, and shall thereupon be relieved of all obligations thereafter arising with respect to the interest so released. If Lessee releases all or an undivided interest in less than all of the area covered hereby, Lessee's obligation to pay or tender shut-in royalties shall be proportionately reduced in accordance with the not acreage interest retained hereunder.

10. In exploring for, developing, producing and marketing oil, has and other substances covered hereby on the leased premises or lands pooled or untilized herewith. In

If Lasse releases all or an undivided interest in less than all of the area covered hereby, Lessee's obligation to pay or tender shut-in royalities shall be proportionately reduced in accordance with the net acreage intorest retained hereunder.

10. In exploring for, developing, producing and marketing oil, gas and other substances covered hereby on the leased premises or lands pooled or unitized herewith, in primary and/or enhanced recovery, Lessee shall have the right of ingress and egress along with the right to conduct such operations on the leased premises as may be reasonably necessary for such purposes, including but not limited to geophysical operations, the drilling of wells, and the construction and use of roads, canals, pipelines, tanks, water wells, disposal wells, injection wells, pils, electric and telephone lines, power stations, and other facilities deemed necessary by Lessee to discover, produce, store, treat and/or transport production. Lessee may use in such operations, free of cost, any oil, gas, water and/or transport production. Lessee in such operations, free of cost, any oil, gas, water and/or transport production. Lessee in such operations, free of cost, any oil, gas, water and/or the produced on the leased premises, except water from Lesseor's wells or ponds. In exploring, developing, producing or marketing from the leased premises or lands pooled therewith, the ancillary rights granted turein shall appty (a) to the entire leased premises described in Paragraph 1 above, notwithstanding any partial release or lands pooled therewith, the ancillary rights granted turein shall appty (a) to the entire leased premises described in Paragraph 1 above, notwithstanding any partial release or premises or lands pooled therewith. When requested by Lesser in writing, Lessee shall bay for the leased premises or other lands under the produced premises or other lands under the produced premises or other partial lemmination of this lease, and to commercial timber and growing crops thereon. Lessee shall

whiteh holde hely describing the breach or belault, and then only in Lessee falls to remedy the breach of default, within such period. In the event the matter is nighted and there is a final judicial determination that a breach or default has occurred, this lease shall not be forfeited or canceled in whole or in part unless Lessee is given a reasonable time after said judicial determination to remedy the breach or default and Lessee fails to do so.

14. For the same consideration recited above, Lessor hereby grants, assigns and conveys unto Lessee, its successors and assigns, a perpetual subsurface well bore easement under and through the leased premises for the placement of well bores (along routes selected by Lessee) from oil or gas wells the surface locations of which are situated on other tracts of land and which are not intended to develop the leased premises or lands pooled therewith and from which Lessor shall have no right to reyaffy or other benefit. Such subsurface well bore casements shall run with the land and survive any termination of this lease.

16. Lessor hereby warrants and agrees to defend title conveyed to Lessee hereunder, and agrees that Lessee's option may pay and discharge any taxes, mortgages or liens existing, levied or assessed on or against the leased premises. If Lessee exercises such option, Lessee shall be subrogated to the rights of the party to whom payment is made, and, in addition to its other rights, may reimburse itself out of any royalties or shut-n royalties otherwise payable to Lessor hereunder. In the event Lessee is made aware of any claim inconsistent with Lessor's title, Lessee may suspend the payment of royalties and shut-in royalties hereunder, without interest, until Lessee has been furnished satisfactory evidence that such claim has been resolved.

16 Notwithstanding anything contained to the contrary in this lease, Lessee shall not have any rights to use the surface of the leased premises for drilling or other

17. This lease may be executed in counterparts, each of which is doemed an original and all of which only constitute one original.

DISCLAIMER OF REPRESENTATIONS: Lessor acknowledges that oil and gas lease payments, in the form of rental, bonus and royalty, are market sensitive and may vary depending on multiple factors and that this Lease is the product of good faith negotiations. Lessor understands that these lease payments and terms are final and that Lessor entered into this lease without duress or undue influence. Lessor recognizes that lease values could go up or down depending on market conditions. Lessor acknowledges that no representations or assurances were made in the negotiation of this lease that Lessor would get the highest price or different terms depending on future market conditions. Neither party to this lease will seek to after the terms of this transaction based upon any differing terms which Lessee has or may negotiate with any other lessors/oil and gas owners.

IN WITNESS WHEREOF, this lease is executed to be affective as of the date first written above, but upon execution shall be binding on the signalory's heirs, devisees, executors, administrators, successors and assigns, whether or not this lease has been executed by all parties hereinabove named as Lessor.

LESSOR (WHETHER ONE OR MORE) Massie L. Milio By:		Ву:
STATE OF	ACKNOWLED May of Massil	Notary Public, State of Taxas Notary's name (printed): April Marano Notary's commission expires: 01-74-10
STATE OF COUNTY OF This instrument was acknowledged before me on the by:	day of	, 2008,
		Notary Public, State of

lotary's name (printed): Notary's commission expires:



DALE RESOURCES LLC 2100 ROSS AVE STE 1870 LB-9

DALLAS

TX 75201

Submitter: DALE RESOURCES LLC

SUZANNE HENDERSON TARRANT COUNTY CLERK TARRANT COUNTY COURTHOUSE 100 WEST WEATHERFORD FORT WORTH, TX 76196-0401

<u>DO NOT DESTROY</u> <u>WARNING - THIS IS PART OF THE OFFICIAL RECORD.</u>

Filed For Registration: 08/14/2008 09:11 AM
Instrument #: D208318413

LSE 3 PGS \$20.00

By:

D208318413

ANY PROVISION WHICH RESTRICTS THE SALE, RENTAL OR USE OF THE DESCRIBED REAL PROPERTY BECAUSE OF COLOR OR RACE IS INVALID AND UNENFORCEABLE UNDER FEDERAL LAW.

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